

Bulk Assumption Transfer

- 33-2-1206. Bulk reinsurance—foreign or alien insurers. (1) A foreign or alien insurer may reinsure all or substantially all of its insurance in force in Montana or a major class thereof with an agreement of bulk reinsurance, but no such agreement may become effective unless filed with the commissioner and approved by him in writing. The commissioner may in his discretion hold a hearing before approving or disapproving an agreement of bulk reinsurance. Factors to be considered on bulk reinsurance agreements include but are not limited to:
- (a) whether the agreement would be inequitable to Montana policyholders;
 - (b) whether the agreement would be substantially reduce security of Montana policyholders; and
 - (c) whether the agreement would substantially reduce the service to be rendered to Montana policyholders.
- (2) The commissioner shall approve or disapprove the agreement within a reasonable time after filing the proposed agreement or, when applicable, after a hearing.
- (3) The commissioner may require a foreign or alien insurer to establish a trust account in this state, not to exceed the aggregate reserves of the policies contained in the bulk reinsurance agreement, prior to granting approval.

Section 33-2-1206, MCA, requires that the Commissioner review and approve (in writing) all agreements of bulk reinsurance. In order for the Department to consider approving the agreement, please provide the following items:

- (A) A copy of the executed assumption reinsurance agreement.
- (B) Copies of the regulatory approvals of the assumption *transaction*, issued by the insurance departments of the domiciliary states involved.
- (C) A list of the policy form numbers affected by the transaction, along with a listing of the names and policy numbers of each Montana resident policy owner.

Upon review of these requested items, with no exceptions noted, this Department will issue a written approval of the assumption reinsurance transaction.